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Alberta Economic Quick Facts

January 2012

**Government
of Alberta** ■

ALBERTA – FRESH OPPORTUNITIES

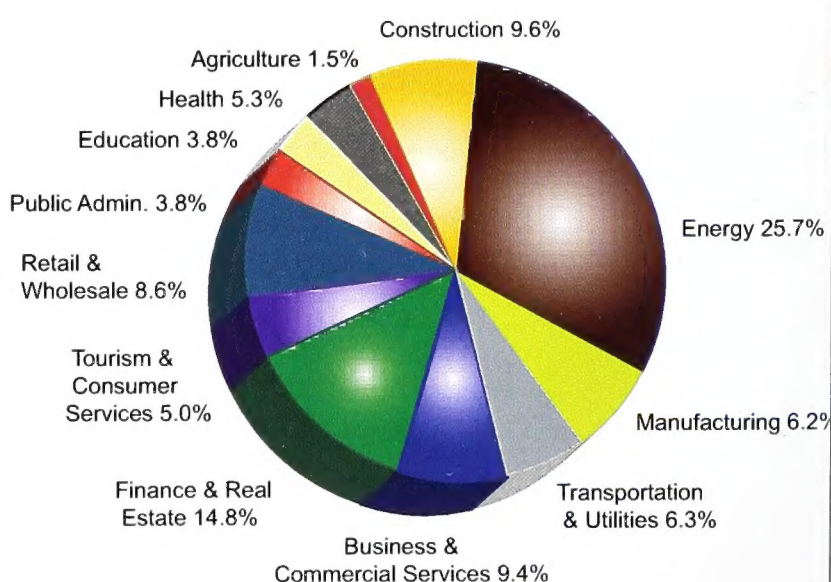
Alberta is blessed with an abundance of natural resources that form the foundation of its economy. The Alberta government has built on this foundation by fostering a positive business climate based on low taxation that attracts investment, creates diversity, and encourages Alberta businesses to compete successfully around the globe.

This foundation includes:

- a globally competitive business tax environment,
- an efficient and modern infrastructure,
- strategic access to the North American free trade market and to North Asian markets,
- political stability and low taxes,
- a young, skilled and productive workforce,
- the lowest overall personal taxes in Canada,
- the best fiscal situation in the country,
- a government that understands and works closely with business, and
- safe communities with a superior quality of life and diverse cultures.

Alberta GDP by Industry 2010

Total GDP \$263.5 Billion



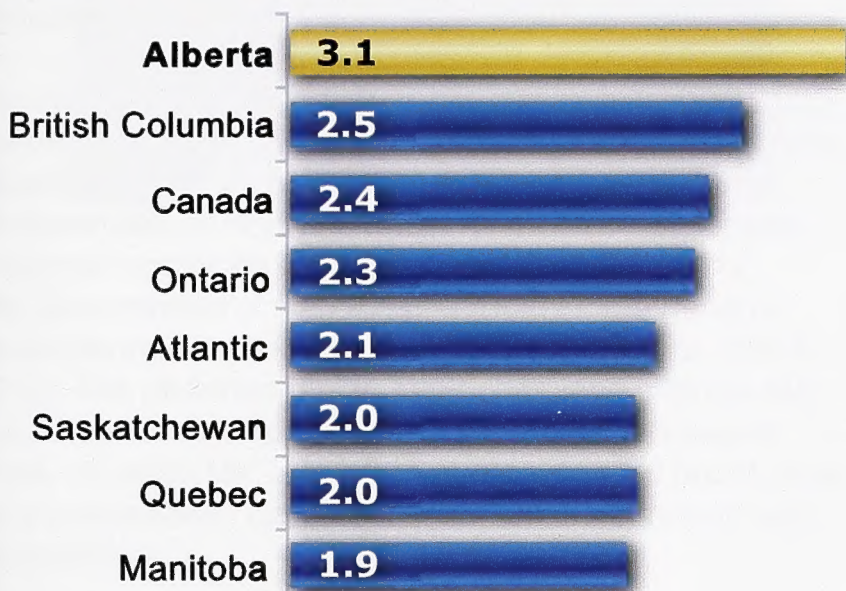
Source: Alberta Treasury Board and Enterprise

ECONOMIC OVERVIEW

Alberta's economy has recovered from the global recession and expanded by 3.3% in 2010. Alberta leads all provinces in economic growth during the past 20 years, with an average annual GDP growth of 3.1% per year. Alberta's economy also saw strong economic growth of more than 3% in 2011, while employment increased by more than 77,000 that year. Most private sector forecasters expect Alberta to lead all provinces in 2012.

Real Economic Growth 1990 - 2010

Average Annual Growth in GDP (per cent)



Source: Statistics Canada

Economic Indicators	2009	2010
Investment (million)	\$65,695	\$70,438
Investment per Capita		
Alberta	\$17,897	\$18,930
Canada	\$ 9,093	\$ 9,911
Manufacturing Shipments (million)	\$53,951	\$60,074
International Goods Exports (million)	\$69,929	\$78,594
Unemployment Rate		
Alberta	6.6%	6.5%
Canada	8.3%	8.0%
Number Employed	2,025,200	2,016,600
Retail Sales (million)	\$56,478	\$59,856
Consumer Price Index (% change)	-0.1%	1.0%
Housing Starts	20,298	27,100

KEY ECONOMIC SECTORS

With the economic recovery now underway, Alberta's economy will once again thrive on its expanding oil sands investment and development of supply chain manufacturing and services sectors.

Advanced Technologies

Alberta's key advanced technology sectors include clean energy, information and communication technology (ICT), life sciences and nanotechnology. Revenues for Alberta's ICT industries totaled approximately \$9 billion in 2010.

Agri-foods

Manufacturing shipments from the food and beverage industry were valued at \$11.5 billion in 2010.

Energy Products

Manufacturing shipments of petrochemicals and refined petroleum products reached \$25.2 billion in 2010.

Forest Products

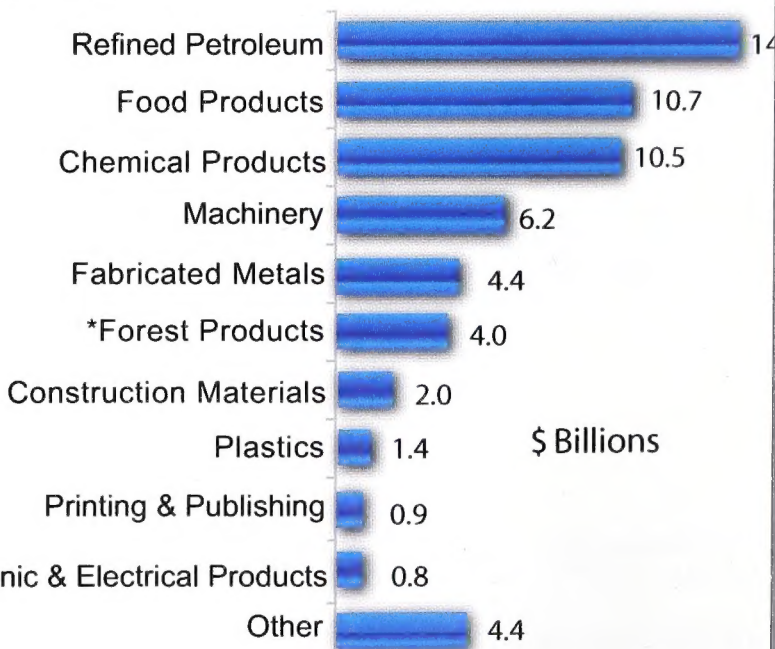
Alberta produced \$4.0 billion in forest products in 2010. Alberta forest products include lumber, pulp, newsprint, panelboard and secondary wood products.

Industrial Machinery and Metal Fabrication

Alberta's industrial machinery and metal fabrication industry generated \$10.6 billion in revenues in 2010. More than one-third of shipments was exported to international markets.

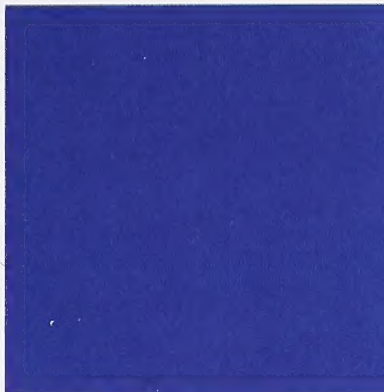
Value of Alberta Manufacturing Shipments 2010

Total: \$60.1 Billion



*Includes wood and pulp & paper industries

Source: Statistics Canada



ALBERTA, CANADA

Population: 3,798,791 (October 1, 2011)

Area: 661,000 km²

Edmonton CMA Population: 1,176,307 (2010)

Calgary CMA Population: 1,242,624 (2010)

Note : CMA is Census Metropolitan Area

Population

In 2011, Alberta's population grew by 1.6% - higher than the Canadian growth rate of 1.0%. According to Statistics Canada, this was mainly due to strong growth in the natural increase (births minus deaths), but also in net international and inter-provincial migration.

Cultural Diversity

(various languages spoken in Alberta - 2006 Census)

English	3,213,690	Ukrainian	38,165
French	225,085	Arabic	30,235
Chinese	116,505	Hindi	28,800
German	104,745	Vietnamese	26,020
Spanish	61,335	Polish	24,980
Punjabi	44,480	Cree	24,205
Tagalog	40,095	Dutch	23,130

*These numbers add up to more than the population due to multiple responses

Strategic Location

Alberta is part of a western Canadian market of 10.8 million people.

Alberta's proximity to the western United States provides easy access to an overall market of 62.9 million people. This includes the 10 states westbound from Colorado to the Pacific Coast.

LIFESTYLE

Alberta has a diverse arts and culture community, and numerous community and ethnic organizations that provide festivals, events and attractions for Albertans and out-of-province visitors. Alberta's major cities, Calgary and Edmonton, have vigorous live theatre and visual arts scenes, as well as symphony, opera and ballet. Smaller cities and towns offer unique cultural experiences with an array of festivals and opportunities to experience performing and visual arts.

Over 70 festivals bring music, dance, film, literature, theatre and the visual arts to Albertans throughout the province. Residents and visitors alike enjoy performances by 10 major performing arts companies, over 40 professional performing arts companies and 140 performing arts organizations.

Alberta is home to five of Canada's 15 United Nations World Heritage Sites, areas designated by UNESCO as offering exceptional universal value to humanity.

INNOVATION

The new Alberta Innovates research and innovation system and the technology commercialization action plan, make Alberta an attractive place for companies to accelerate innovations into the global marketplace.

The Alberta Innovates agencies are seeking solutions in priority areas of Health, Energy and the Environment, and Bio-industries. They are supported by R&D-focused information and communications technology, life science and nanotechnology organizations, and the new Technology Futures agency.

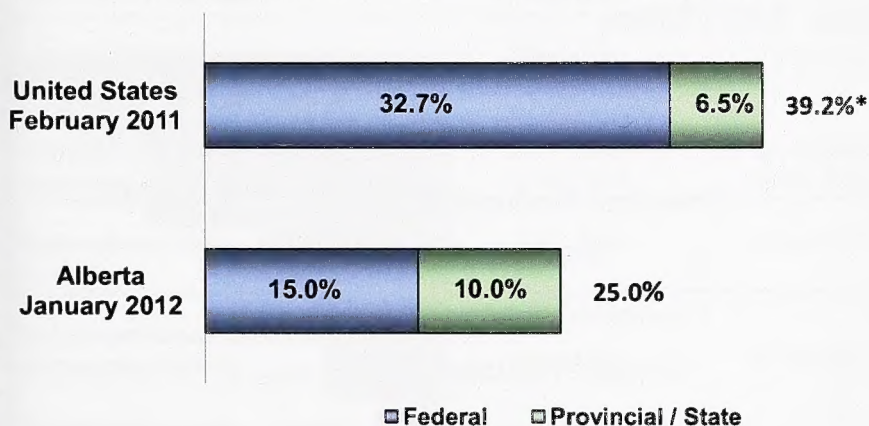
Alberta offers a supportive business climate with its Scientific Research and Experimental Development tax credit program, Innovation Vouchers program and the Alberta Enterprise Corporation to help attract venture capital investment. Alberta's Connector Service provides access to Alberta's research and innovation community at 1-877-828-0444 or connector@albertainnovates.ca.

COMPETITIVE ENVIRONMENT

Alberta's long-term economic growth prospects remain strong due to positive energy prices. Increased productivity growth will be important to optimize the economic benefits from energy investment in Alberta, and to encourage higher value added activity and industrial diversification. This is one of the reasons why the Alberta Competitiveness Act was initiated. The Act aims to coordinate better the efforts of government and industry to ensure the province remains one of the most competitive jurisdictions in the world.

The Alberta government's low-tax and fiscal responsibility policies create long-term economic benefits for Albertans. Alberta has one of the most competitive business tax environments in North America. The combined federal/provincial corporate income tax rate is 25% in 2012. The Government of Canada has reduced the general corporate income tax rate from 16.5% in 2011 to 15% in 2012. The new income tax rates combined with the fact that Alberta has no provincial capital taxes, no payroll taxes, no sales tax, and has a publicly funded health care insurance system makes Alberta's tax environment very competitive.

Comparison of Corporate Income Taxes



*6.5% represents the average effective top general state corporate income tax rate.

U.S. rates known as of February 2011.

Sources: Alberta Finance; Tax Foundation

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